

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Tuesday, June 15, 2009 MEETING

Board Members Present: John Rupp, Edward Field; Thomas Deller; Rochelle Lee; and Stephen Durkee.

Absent: William Kennedy; Michael Lewis; and Jerome Williams.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; Maureen Neira; Mark Therrien; and Ellen Mandly.

Agenda Item 1: Approval of the Minutes of May 18, 2009 Meeting

Mr. Rupp called the meeting to order and asked if the Board members had an opportunity to review the minutes of the May 18, 2009 Board of Directors meeting. The members indicated that they had and Mr. Kennedy made a motion to approve the minutes as presented. Mr. Field seconded the motion and the minutes were unanimously approved.

Agenda Item 2: General Manager's Report

Mr. Moscola began his General Manager's report and said that at the Board's suggestion, he met with Stephen Farrell President of ATU to discuss RITPA's cell phone and texting policy for bus operators. After receiving Mr. Farrell's input, the policy was revised and reissued by James Dean, AGM of Transportation. He is also having Doug Brown, Chief of Security, create a company-wide policy. He thanked Mr. Farrell for his input.

Mr. Moscola said that the "pick" process by which operators choose their new schedules ends tomorrow and the new schedules will take effect on Friday. He thanked Messrs Farrell and Dean for their assistance with this process.

The General Manager reported on the status of the House Committee hearings on separation of powers saying RIPTA had testified the previous week and had also submitted a binder with RIPTA's response to the eighteen questions asked by the Committee. A copy of that binder was given to each Board member and he thanked Mr. Kinch for putting the binder together.

Mr. Deller noted that 4 or 5 years ago the House Oversight Committee adopted a set of operating rules for quasi public rules and wondered if the recent inquires by the Committee into RIPTA operations was

relative to how those rules had been implemented.

Mr. Moscola responded that the questions were varied and related to fuel and advertising contracts, non-represented employee's resumes, etc. He said RIPTA responded to a total of 18 questions and we expect that after they have reviewed our responses they will likely have further questions.

Mr. Rupp responded to Mr. Deller's question by saying "yes and no". Mr. Rupp said does not believe the House Committee was aware of the parameters.

Mr. Moscola asked for questions and hearing none completed his report.

Agenda Item 3: Finance Committee Report

Mr. Field gave the Finance Committee report and said the Committee had met on June 12th. Mr. Deller interjected that they discussed the FY 2011 – FY 2015 capital budget assumptions and got a brief overview of the tiered fares and park & ride presentation which Mark Therrien will give later in the meeting. Mr. Field said they briefly discussed the hiring of in-house counsel and Mr. Kinch is continuing to gather information in this area and will give a report later today.

Mr. Field said the Committee discussed two sets of assumptions

prepared by staff which need the consideration of the full board 1) the FY 2011 budget assumptions and 2) the FY 2011 – FY 2015 capital budget overview.

Mr. Deller noted that the recovery audit was also discussed and Mr. Field said that the Auditor General had responded to RIPTA's inquiry letter with further questions and asked to see the final RFP. Mr. Kinch said he would respond to the Auditor General's questions and noted that a draft RFP was sent previously and he would now send a revised final RFP.

Messrs Field and Deller answered some questions from other members regarding the assumptions and said staff would be reporting to the full Board on both sets of assumptions.

Agenda Item 4: ARRA Program Update

Mark Therrien and Lilly Picchione addressed the Board to give a report on RIPTA's stimulus program. Ms. Picchione said staff submitted a Tigger grant for transit signal prioritization and lighting at the Elmwood facility on May 26, 2009. A grant tracking program is being developed to record and monitor all grant submissions as staff has been informed by the FTA and APTA to proceed quickly with ARRA grant submissions.

Ms. Picchione said she reported at the Finance Committee that steps are being taken at the federal level to allow stimulus funds to be used toward operating costs and staff will report on the status of this issue at the July meeting.

Mr. Rupp asked Ms. Picchione to send the assumptions document given out at Finance Committee to all Board members and Ms. Picchione said she would.

Agenda Item 5: Tiered Fares and Park and Ride Presentation

Mark Therrien and Tim McCormick addressed the Board to discuss their Powerpoint presentations on Tiered Fares and Park & Ride lots. Mr. McCormick began with the Park & Ride presentation and discussed the existing conditions of same as detailed on page 2. He said there are 28 advertised park & ride locations of which 14 are state owned, 2 are state leased, 5 are city owned and 7 are privately owned with no lease. Park & ride lots service 45,000 Rhode Island car poolers and he described the bus service to the lots, destinations of the passengers and ridership volume.

Mr. McCormick discussed slides dealing with issues such as the Governor's Panel recommendation that RIPTA implement differential express service from the park & rides with special fares, sample implementation and revenue projections.

He elaborated on slides detailing RIPTA and rider costs, possible sources of additional revenue, such as charging for parking and possible corporate partnerships via an Eco-Pass. Mr. McCormick talked about how to build ridership at park & rides by increasing signage on the highways and at the lots, scheduling regular lot maintenance, establishing more lots, adding all day bus service and bus service to destinations other than Providence, making bus schedule and carpool information available. He offered insights into these improvement suggestions.

Mr. McCormick discussed co-location uses such as partnering with area business such as Home Depot whose lots are better lit and populated making them safer and which would eliminate the need for RIPTA maintenance and alleviate overcrowding at nearby park & ride lots.

Mr. McCormick completed his presentation by listing areas which need additional park & ride lots and stressed that all day bus service to existing and additional lots is imperative as working parents need access to their cars in case of child emergency and to accommodate workers flex hours and student schedules.

Mr. McCormick discussed bus service to locations other than Providence, the implementation of an Eco-Pass and next steps for implementation and then took questions from the Board.

Next Mr. Therrien gave the presentation on Zoned Based Fares. At the outset he stated that the concept of zoned based fares is unpopular as it poses great difficulty for the bus operators and also passengers. He said he would give an overview of the methodology and come back next month with recommendations.

Mr. Therrien began by elaborating on slide # 3 in the presentation discussing methodology and how they compiled the data and slide # 4 which described three (3) possible fare scenarios 1) a City of Providence zone, 2) a Circumferential 295/Mt. Hope Bridge zone of approximately 7 miles, and 3) a premium fare zone for express services. He elaborated on each of the 3 zone suggestions and the difficulties involved.

Mr. Therrien continued discussing the assumptions on page 5 such as expected resistance from UPass customers and probable UPass contract renegotiations, DHS continuing to purchase both monthly passes and Ride Rhody tickets at full fare, and zone enforcement by bus operators. He then discussed the next 3 slides detailing possible revenue from each of the 3 zones.

Next he discussed implementation issues such as handling passenger trip scenarios, equity issues, enforcement options, GFI farebox restrictions, potential effect on pass programs and administrative costs.

Mr. Therrien elaborated on slide # 12 which outlined enforcement options such as issuing zone tickets, relying on drivers and outbound/ inbound payment options which force drivers to interact with all passengers who would prove particularly difficult and time consuming on heavy loads.

Next he discussed farebox issues such as the slowing down of the boarding process, accuracy, farebox updating, driver retraining and the introduction of new fare media. He then discussed the many impacts to RIPTA's pass programs, added administrative costs and finally the fact that the industry as a whole is moving away from zoned based fare structures.

Mr. Therrien said he would come back to the Board in July with recommendations based on these findings. He answered questions from the Board and then completed his report.

Agenda Item 6: RFP 09-15 Trolleys

Roger Mencarini addressed the Board to discuss the procurement for Hybrid Trolleys and said staff recommends the award of a contract to Gillig Corporation for the supply and delivery of 10 hybrid trolleys at a cost of \$6,969,690. Mr. Mencarini said the hybrid trolleys will be more fuel efficient and offer noise reduction from the current trolleys and because the trolleys are similar to Gillig buses, there will be parts standardization.

Mr. Rupp asked about the appearance of the trolleys and Mr. Moscola responded that the interiors have cloth seats similar to a standard bus and also bronze grab bars. They are 35 feet long, 5 feet longer than the current trolleys. Mr. Field asked why staff is recommending a vehicle with a trolley style and Mr. Moscola responded that the City of Providence prefers the trolley style and he also likes the idea of a diverse fleet. Mr. Rupp added that the City of Newport also prefers trolleys. Mr. Deller said RIPTA should have vehicles with different body styles, particularly on Bus Rapid Transit routes. Mr. Rupp asked about operating costs and staff said they would prepare a memo outlining the costs.

Following the discussion, Mr. Kennedy made a motion that the contract be awarded to Gillig Corporation as recommended by staff. Mr. Deller seconded and the motion passed.

Agenda Item 7: Ride Contract Extension

Mark Therrien addressed the Board to discuss the Extension of Ride Carrier Contracts. He said this will allow for the continued operation of the Ride program for a three-month period which will expire on September 30, 2009.

Mr. Deller asked if there was a rate change from the one set six years ago and Mr. Therrien said the rate remains the same. Mr. Therrien

answered questions from the Board and then Mr. Deller made a motion to approve a three month extension to the existing contract. Mr. Alves seconded the motion. Messrs Rupp and Kennedy voted to approve the extension and Mr. Field voted against. The motion passed by a vote of four to one.

Following the vote there was further discussion of the difficulties and delays that have surrounded the RIde contract and how this affects RIPTA and the two outside providers Maher and Northwest. Mr. Field said the problem lies with DHS. Mr. Therrien said RIPTA is the responsible party currently as noted by Gary Alexander and Mr. Rupp said RIPTA should get out of the RIde business. Mr. Deller said RIPTA has serviced the RIde program because the Governor's office encouraged us to do so. Mr. Alves said there is a difference of opinion as to whether another agency needs to handle the procurement process.

Following this discussion the Board decided to take the vote a second time. Mr. Deller again made a motion to approve the three month extension and Mr. Alves seconded. Messrs Rupp and Kennedy voted in the affirmative. Mr. Field was the only dissenting vote and the motion again passed by a vote of four to one.

Agenda Item 8: Officers & Directors Insurance

John Stanziale, from RIPTA's Risk Management department and Gary

Primavera of Starkweather & Shepley RIPTA's insurance broker addressed the Board to discuss Officers and Directors (D&O) insurance.

Mr. Primavera reminded the Board that after fully vetting this topic at the last meeting the Board asked Mr. Primavera to get updated policy pricing with a deductible in the range of \$50,000 and report back. As requested Mr. Primavera obtained current pricing including entity coverage and a matrix containing the pricing was included in the Board package for review. Mr. Primavera discussed some of the features in the Great American policy quote such as the addition of entity coverage, defense costs now being outside the policy limit which was increased from \$1 million to \$5 million and the insurance exclusion. Mr. Primavera said the deductible remains the same.

Mr. Primavera answered questions from the Board one of which was the effective date of the policy which he said is August 1, 2009. After a brief discussion the Board asked Mr. Primavera to change the effective date of the policy to July 1, 2009. Mr. Primavera said this would not be a problem as the insurer can prorate the monthly charge.

Following the discussion, Mr. Deller made a motion to approve the award of an officers and directors insurance policy to Great American Insurance as recommended by staff with the amended effective date of July 1, 2009. Mr. Kennedy seconded the motion and the motion

passed unanimously.

Agenda Item 9: In-House Counsel

Mr. Kinch addressed the Board to discuss potential In-House Legal Counsel. Mr. Kinch said that as Mr. Field reported earlier, the issue of in-house counsel was discussed at the June 12th Finance Committee meeting where he disseminated a chart detailing the responses he has received from ten of the quasi public agencies he queried on this issue.

Mr. Kinch said every agency is unique and he intends to personally interview each agency and have them complete an in-depth survey detailing their legal representation and associated costs. Mr. Kinch answered questions from the Board and was asked to give all Board members a copy of the chart he disseminated at the June 12th meeting.

Mr. Kennedy expressed his support for RIPTA's current legal representation. Mr. Rupp said in-house counsel can add real value to an agency, but more data from other state agencies is needed. Messrs Deller and Alves asked questions regarding the agencies who responded to the initial survey.

Following this discussion the Board asked Mr. Kinch to report back to

the Board after the in-depth survey and one on one interviews are complete.

Agenda Item 10: Planning Committee

Agenda Item 11: Strategic Planning Committee

Mr. Deller began by referencing the presentations on tiered fares and park & rides presented earlier in the meeting by Tim McCormick and Mark Therrien and said presentations such as these are a perfect example of topics that could be first vetted at a Planning or Strategic Committee prior to being presented at a full Board meeting. He said Committees of the Board, which are allowed under the RIPTA by-laws, can work with staff to shape future projects and RIPTA's direction.

The Board members discussed existing Committees and after this discussion asked Mr. Therrien to develop the goals and duties for the two new committees keeping in mind Mr. Field's suggestion of having external members from organizations like Sierra Club and NUPTA and other state agencies such as RIDOT.

Agenda Item 12: Public Comment

Chairman Rupp asked for public comment and recognized Ellen Mandly who announced that the July Board meeting date has been rescheduled from Monday, July 20 to Wednesday, July 29, 2009.

Next Mr. Rupp recognized Bill Legere from Northwest Transportation a Ride Program service provider. Mr. Legere addressed the Board and said he wished to make three comments. First he said he supports the idea of instituting tiered fares. Next he said that in his opinion the hybrid trolleys are extremely expensive and he does not see the value. His third comment was that Northwest Transportation has been operating under a Ride contract that expired in May of 2008 and he does not see how a contract that has already expired can be extended.

Mr. Legere noted that there has not been an increase in the rates for 6 years and Northwest is operating below the breakeven point. He asked when the options for carrier contract would be voted on and was told following today's executive session. Mr. Therrien answered a few questions posed by Mr. Legere relative to the old Ride contract.

Next Mr. Kennedy spoke and said that traditionally there is no RIPTA Board meeting in August and he does not feel one is needed this year. Mr. Rupp responded that an August meeting has not yet been scheduled, but if there is a need for a meeting he will schedule one.

Agenda Item 13: Executive Session

Mr. Rupp called for a short recess and following the recess Mr. Alves

moved that RIPTA adjourn to an executive session, as noticed on the agenda under 42-46-5(a)(2) to discuss collective bargaining and/or potential litigation and 42-46-5(a)(7) investment of public funds. Mr. Deller seconded the motion. A roll call

vote was taken on the motion to convene to executive session. All members voted to convene the executive session.

Following the Board's return to open session Mr. Field made a motion to seal the minutes of the Executive Session, and Mr. Kennedy seconded the motion, which passed unanimously.

Agenda Item 14: Rlde Program RFP

Upon returning to open session Mr. Field referenced the Rlde Program RFP staff summary and made a motion to approve option # 2 which recommends that RIPTA continue operation of the Rlde service it currently provides, and issues a request for proposal for the remaining service areas. Bill Kennedy seconded the motion, which passed unanimously.

Following the vote Mr. Therrien read aloud option #2 from the staff summary.

Agenda Item 15: Adjournment

A motion to adjourn was made by Mr. Alves. Mr. Kennedy seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary